SASKATCHEWAN LABOUR MARKET

ISSUES, POLICIES, OPPORTUNITIES FOR CHANGE

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Issues, Policies, Opportunities for Change

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and G. Wayne McElree

CANADIAN PLAINS PROCEEDINGS 14
CANADIAN PLAINS RESEARCH CENTER • UNIVERSITY OF REGINA
1984

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Canadian Cataloguing in Publication Date

Main entry under title:

Saskatchewan labour market

(Canadian plains proceedings, ISSN 0317-6401 ; 14)
Papers presented at a workshop held January 12, 1984, at the University of Saskatchewan.
ISBN 0-88977-035-2

1. Labor supply - Saskatchewan - Congresses.
2. Unemployment - Saskatchewan - Congresses.
3. Manpower policy - Saskatchewan - Congresses.
I. Alecxe, K.J.H. (Kenneth John Harry)
II. McElree, G. Wayne (Garnet Wayne), 1949-
III. University of Regina. Canadian Plains Research Center. IV. Series.
HD5729.S3S37 1984 331.12'097124 C84-091486-5

Printed in Canada by the University of Regina
Duplicating Services

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Introduction

These proceedings are published as the result of the regional labour market workshop held under the auspices of the Canadian Plains Research Center, University of Regina, at the University of Saskatchewan, Saskatoon, 12 January 1984.

A suitable preface is the following quote from a business editorial by John Twigg, Financial Editor of the Regina Leader Post. The editorial is entitled, "Conference Deserves Celebration," and it goes on at some length to describe the events of the day. Twigg says in part,

> ". . . it was a major first step, and it deserved the celebration . . . . What happened was that spokesmen for the four cornerstones, or as Gil Johnson called them - "the four solitudes" - stood up and gave synopses of their view of the economic situation insofar as it impacts on employment. . . . . Usually at tripartite conferences that conflict (between business and labour) would have forced the government party to arbitrate or abdicate, and everyone would dismiss the exercise as a waste of time, but at the Saskatoon conference Thursday the presence of some key academics gave the bureaucrats some refuge, or some counterweight."

Twigg's editorial comment succinctly states why this workshop was as successful as media statements and a follow-up participant survey indicated. The workshop engendered an air of co-operation, openness, and a willingness to discuss issues in a manner rare for a public forum.

Saskatchewan's representation and interest in the initial National Occupational Outlook Conference, sponsored by Canadian Employment and Immigration, in January 1983, was disappointing. Therefore, Ian Thomas, director, Labour Market Planning and Information Branch, Saskatchewan Advanced Education and Manpower, and Wayne McElree, co-ordinator, External Relations, Employment and Immigration Commisssion, Saskatchewan Region, began discussions regarding the possibility of a regional workshop. In June 1983, McElree and Ken Alecxe, Saskatchewan Advanced Education and Manpower,

met with Dr. M. Evelyn Jonescu, director, Canadian Plains Research Center. Alecxe, part of the Labour Market Planning and Information Branch, is also chairman of the Center's Human Resource Advisory Group. Through the Human Resource Advisory Group the Center has been pursuing labour market issues and consultative mechanisms for about three years. The Center's history of involvement in this area was complemented by its CANPLAINS database, which lists research on specific subject areas in the plains region.

Given this set of circumstances, it was unanimously felt, and correctly so as it turned out, that a broader and more positive response to a labour market workshop would be obtained if it was organized through a non-partisan vehicle with a clear interest in facilitating such exercises. The Canadian Plains Research Center turned out to be that vehicle; and, because the Canadian Plains Research Center is based at the University of Regina, and has formal representation at all plains universities, the education system was more involved and better represented than might otherwise have been the case.

Representatives from the private sector became involved in the planning committee, but attempts to involve organized labour in the planning stages did not bear fruit at the time.

The programme's design evolved into a funnel concept which allowed industry and labour to pose the hard questions to which government would have to respond. The format allowed government speakers both to respond and present their case for current programme initiatives. The latter point caught the interest of the Canada Employment and Immigration Commission headquarters in Ottawa where strong interest exists for regional forums which can bridge government programme initiatives with private sector needs.

It was clear that the workshop was timely and touched a sensitive chord among the participants. The strongest, most often repeated comments seemed to be, "Yes, this was an excellent beginning. We need more of the same. Don't stop now." It appears people are ready and willing to talk to each other about what is essentially a shared problem among a community of diverse interests.

The moderator, Dr. Lloyd Barber, summarized the mood generated by the workshop when he said, "It is not enough to point to the other person and say, 'the hole is in your end of the boat.'"

The success of this event has raised expectations for further discussions focussing on various aspects of the

plains labour market. Clearly, labour markets do not adhere strictly to provincial boundaries, and the labour markets of Alberta, Manitoba and Saskatchewan are no exception. The plains region is a more appropriate geographical framework for the labour markets affecting these three provinces. This is one of the first results of the follow-up survey of workshop participants. The second result of the survey is a concise list of critical labour market issues which require further research and multilateral discussion.

At the top of the list of issues is the need to assess the implications of new technology and innovation for all sectors of the plains labour market. A number of studies have been initiated with respect to the impact of the silicon chip and robotics on industries indigenous to central Canada and the United States. However, the current impact of such technology and its rate of change has not been adequately examined in the Canadian Plains region. This indicates to the Human Resource Advisory Group that there is a need to initiate research in respect to this issue and a need to organize another workshop which would, again, encourage multilateral discussions around the policies and opportunities related to technological change.

The editors of this publication would be remiss in their duties if they did not acknowledge the large debt they owe to particular staff members of the Canadian Plains Research Center. Jean Bruce has been a tremendous support in the detailed development of the series of workshops. Gillian Wadsworth Minifie has done yeoman's work in acting as subeditor of this publication. In addition, Pat Henbid from the Department of Graduate Studies, University of Saskatchewan, must be commended for her work assisting in the organization of the first workshop. They are all to be congratulated for the high degree of quality in their work, their attention to detail, and their unending patience.

Labour Market Issues in the 1980s: A National Perspective

David Slater

In the early days of the recession, the Economic Council of Canada released a study of the labour market called In Short Supply: Skills and Jobs in the 1980s. It dealt with prospects for jobs, both shortages and surpluses, in the years ahead and the need for better planning in both the public and the private sectors. The tendency to be preoccupied with short-term problems in the economy creates the danger that we might become blind to the important structural, longer-term issues which need to be addressed.

Let me begin by reviewing labour market trends and issues as the Council saw them when the study was released in mid-1981. First, there was an upward shift in the trade-off between inflation and unemployment; that is, a higher inflation rate was associated with higher unemployment levels than was the case in the early 1970s. However, the Council did not foresee a trade-off or a cumulative misery index of more than twelve, even with existing institutional arrangements and policies. By that, I mean six percent per annum inflation and six percent per annum unemployment, or five and seven, or seven and five, respectively.

In fact, it was expected that the trade-off could be improved over the medium term by improvements in market anticipation, job search, training and skill developments. At the time, the Council did not rule out accelerating inflation from forces outside the labour market and, therefore, offsetting tendencies which would worsen the trade-offs.

Second, whatever the trade-off, in 1981 the Council anticipated important mismatches of labour supply and demand emerging in various sectors and periods in Canada during the 1980s. For many of the highly skilled trades, the present labour force, made up largely of post-war migrants to Canada, would likely be retiring in the 1980s. Canada's ability to meet training needs was judged inadequate. The conclusion reached was that substantial gaps were likely to develop between skills required and those available.

The combination of heavy investment programmes and new technology was expected to result in a need for more

engineers, architects, applied mathematicians, and other applied scientists than the Canadian system was likely to turn out in the immediate future. But on the other hand, existing training programmes seemed likely to turn out too many auto repair workers, hairdressers, typists, and clerks of low skills.

Third, the Council stated its concern about inadequate on-the-job training and, in more general terms, about the combination of work, learning and re-learning. It was felt that no single institutional or policy change would improve the situation. Instead, a number of new efforts should be tried, some rather radical for Canada, such as grant schemes and job subsidies.

Fourth, the Council was deeply concerned about the relative neglect of programmes directed to the problems of long-term unemployment as distinct from unemployment of a shorter nature. The remedies for long-term unemployment are very different than for short-term problems.

After two and one-half years of experience, the jury is still out on unemployment-inflation trade-offs. Recent experience has dampened the Council's earlier optimism in this area. We now as of late 1983 have five percent inflation and eleven percent unemployment a bit over a year after the trough of the recession, but still a long way from a "misery index" of eleven--say four percent inflation and seven percent unemployment or five and six or three and eight.

A plausible case can be made that achieving an inflation target of under four percent, developing expectations that are compatible with such a target, and the development of a more flexible economy, could lead us to an unemployment rate of less than seven percent. But not many Canadians are convinced of this, given the existing social and economic structures.

The recession has prompted businesses to look at ways of cutting labour costs more than ever before. This will give rise to new contractual relations: more part-time workers, work-sharing, the possibility of worker bonuses linked to a company's profitability (which is already being used by some of the smaller, high-tech firms), increasing pressures for portability of entitlements, and pressures, too, for more career flexibility in the way of re-training or new skill acquisition.

There has also been a cumulative build-up of "hidden unemployment." Many people fear job losses from new technology and more intense foreign competition. In addition, the

mobility of the Canadian work force appears to have been reduced.

In its Twentieth Annual Review, the Council set out a package of targets for the next few years--including five percent or less inflation, productivity growth of about two percent and employment growth in the three percent range--enough to pull unemployment down into the six to eight percent range in the next few years. The Council indicated that changes of institutions, attitudes and policies would be required to achieve its goals.

It is becoming increasingly important for us to focus our attention on the structural issues in the labour market. Even with the modest recovery we have had so far, the structural issues, which slid out of sight during the recession, are still there. And, indeed, these factors will determine whether there will be solid long-term growth, jobs and good pay, and whether our social programmes can be maintained.

New evidence confirms some of the trends identified earlier, but puts a different emphasis on others. The major demographic, industrial, geographic and occupational changes have been confirmed. The "baby boom" is over. The result is that those now in the labour force are aging, there are fewer young entrants to replace them, and this is coupled with a growing need for adults to acquire new skills. The nature and pace of technological change, innnovation, and the diffusion of technology, will increase the demand for some skills and reduce job opportunities for others.

Two groups face special problems. First, women will continue to enter the labour market in growing numbers. Many are hampered by a lack of training in other than traditional skills, or they are faced with the responsibility of financially supporting a family. Second, large numbers of native people will also be entering the work force over the next decade. This vast array of social issues must be considered in drafting a blueprint of action for the labour market.

A recent Gallup poll found that Canadians view unemployment as the most important problem facing the country. Recent government statistics reveal that, in 1982, one out of every four workers was unemployed at some point, and many for longer periods of time than in the past. Hence, the number of people unemployed for ten months or longer has doubled within the last five years.

Adding to the problem is the lagging level of productivity in Canada, compared with the United States. As the

Council, said in the Twentieth Annual Review, "increased productivity is essential to generate the additional income and wealth from which additional demand for new goods, services and employment will emerge." Our research shows the blame for the lack of productivity growth should not be attributed to workers. It is due more to management resistance to innovation, technological change, and the diffusion of technology. With an increasingly competitive world market, new technologies can help Canada retain a piece of the action.

In another Council study, The Bottom Line: Technology, Trade and Income Growth, technology and productivity growth are examined. Some interesting data emerged during the course of the research. The diffusion of new technology into Canada and across the country is extremely slow. For example, the average time-lag for the adoption of new processes (most of them developed abroad) by Canadian firms was nine years and, for new products, it was seven years. Alberta was the first province to have shopping centres, and it took sixteen years for the idea to be adopted in the Atlantic provinces. A process for the enrichment of oxygen in blast furnaces was not picked up in Canada until twenty-two years after it was in wide use throughout Europe, the United States and Japan.

Skill development is an endless task of education, training, renewal, and adaptation. An imbalance already exists in the labour market: record numbers of people are looking for jobs and serious skill shortages exist in some occupations and in some parts of the country, even though Canada is far from full employment. Training and educational programmes are starting to shift towards better counselling and a job orientation, but not quickly enough.

The situation needs to be addressed at several levels. Enough information needs to be gathered to make planning a more reliable exercise. The labour market study recommended the establishment of an independent research institute to develop an information network for workers, employers, analysts and policy makers.

National information networks are very difficult to set up because of the lack of an occupational survey base. The federal government has been working for more than two years on a National Career Opportunities System and it is unlikely to be in service for another year or two.

The utility of a forecast is not weighed so much by its ability to predict, as it is by its ability to indicate areas which the market needs to address. Where the market

is able to make adjustments, it automatically alters the trends originally forecast and the forecast loses its predictive quality. Nevertheless, planning is still something which should be undertaken, nationally, provincially, and locally.

The success of planning depends in part on the foresight of employers in identifying the areas where they will need new or different skills.

The educational system has a responsibility, as well, to keep abreast of changing occupational demands and to promote the development of new non-traditional skills by students. The university system has some built-in rigidities. In fact, community colleges appear to be better attuned to the times. They fill a gap and serve the private sector proportionately more than universities.

Employers may not require more than a high school education level (and there are, of course, an increasing number of high school graduates), thus, it may be that one or two-year programmes at community colleges may be the optimum, from an employer's point of view.

If so, we may see a greater expansion of community colleges with even greater flexibility, or more co-op programmes in both colleges and universities. There is also a need for more engineering and technical educational facilities at the high school level because of dropping university enrolment in these areas.

In the mid-1970s, half of all B.A. graduates, and three-quarters of those with Ph.D.s found jobs in the public sector. Continuing restraint programmes mean the private sector, presumably, will have to take on more responsibility. The Canadian situation is very different from that of the United States, where the public sector is smaller and private enterprise's demand for university-trained people is much more substantial.

In addition, educators should be encouraging females, as well as young males, to acquire non-traditional skills. While an increasing number of women are now in professional and managerial positions, the vast majority are still crowded into the lower-paying traditional areas which will likely be the most affected by technological change, or they are in part-time jobs. It is unclear, as yet, whether or how much of the part-time employment by women is by personal preference.

It is time to re-assess job creation and training programmes which have their emphasis on institutional training.

The needs of the labour market are not being met and the financial drains on the unemployment insurance fund are burgeoning. The priorities, it seems to me, are wrong when $12 billion are paid out in unemployment insurance benefits while $1 billion is spend on job creation and training programmes.

In our Twentieth Annual Review we said it was time for some creative thinking. We suggested a pooling of unemployment insurance funds and money allocated for job creation and training. The emphasis should be on getting people to work, not encouraging the collection of benefits. The existing set-up often financially penalizes those trying to earn.

We proposed a job voucher programme. Workers would build up entitlements to a voucher in the same way as unemployment insurance benefits are built up. If unemployed, the worker could exchange a "voucher" for a job, with the employer being subsidized for some of the hiring costs. A similar idea might be applied to skill development.

More efforts should also be expended on encouraging on-the-job training and apprenticeship programmes.

New technology and innovation will require adult retraining, perhaps several times over the course of a person's working life. Whether through paid educational leave vouchers, or some other means, attention must be paid to developing ways for workers to "learn their living," as Marshall McLuhan has said.

It is certainly worth looking at the international scene for ideas on skill development. In Japan, for example, employees in the larger companies have almost unlimited career opportunities by guaranteeing, more or less, to stay with the firm. Bonuses for employees, tied to corporate profits, are another effective enticement, especially for boosting productivity. The system in northern Europe contains far more occupational flexibility than our own. At the opposite end of the spectrum is Britain, where the attitude of "a craft-is-a-craft" remains and the system is characterized by extreme job rigidities.

When we think about the labour market of the 1980s, we find there is no single problem, nor is there a single solution. We are facing a series of social, economic, and regional challenges in Canada, as well as technological and international considerations. A well-planned package of measures and policies is going to be required to meet the challenges.

We clearly indicated our feelings about this in the Annual Review. We offered a two-pronged approach: the setting of a group of targets, and then a package of recommendations we feel will help to achieve the goals. We must not be complacent. We will all have to try a little harder to achieve more and better economic growth in Canada. And I have no doubt that we can do it.

Human Dignity and the Social Effects of Unemployment

Leo F. Kristjanson

I appreciate the opportunity to talk about the social effects of unemployment which direct us to some of the most urgent current problems of our society and the world community.

The misery indexes described by Dr. Slater are helpful and interesting. However, we must also look at individual cases, and look at those who are not likely to be at this workshop because they are part of the group more affected by these indexes. As unemployment and underemployment levels rise, problems of health, increasing crime rates, new difficulties in human relationships and, for many, a loss of human dignity, are generated. Statistics on these global issues are available, but they sometimes draw us away from the real issue. In a recent document entitled, "Encyclical on Labour," the Pope made some excellent points which make it appropriate to re-examine the relationship of work to the basic nature of man, and to the way we have organized our society.

That document put forward three basic premises, and I ask you to consider them. The first is that man must work to earn his right to participate in the bounty of the earth. The second is that work should be undertaken in order to elevate "unceasingly the cultural and moral level of the society" in which man lives. The third is that the ability to plan and execute work is one of the major characteristics which distinguishes the life of man from the life of other creatures.

Each of these premises is debatable but, even without the scriptural support put forward in the document, most Canadians would agree with them. If you accept the premises, you have to ask yourself what that says about a society or a system which, when it needs to make adjustments, asks particular sections of that society to bear the major part of the costs.

The unemployment rate for youth, fifteen to twenty-four years of age, increased from 13.6 percent to 19.4 percent from Fall 1981 to Fall 1983. During the same time, the

unemployment rate for adults over twenty-five years of age increased from 5.6 percent to 9.3 percent. In addition to being the first to become unemployed and the last to regain employment, women, natives, those on fixed incomes, and youth absorb further direct costs as assistance programmes are reduced in the name of public sector restraint. We then call the absorption of costs by these groups "a period of readjustment."

If we were to receive reports of a society other than our own which behaved this way--let us suppose we heard these descriptions of Argentina or the USSR or Cuba--I wonder if we would not be thinking, "That's not a very good society." If we would be appalled by these reports then I think we need to look very carefully to see how we can rearrange the costs of readjustment. Readjustment, we recognize, is periodically necessary in our system.

The necessity of short-term pain to achieve long-term gain is the rationale put forward in our society for making these sectors absorb a disproportionate burden of the costs of unemployment and economic crises.

But the short-term is now being talked about as proceeding through the whole decade. For the young, whose time horizons are short, each of these time periods is very long. It is one thing for someone who has been employed for twenty years to be unemployed for six months. It is quite another thing for someone who has spent twenty or twenty-five years preparing for employment, having spent six months being unable to find any kind of employment, to feel that there is no place and no function for them. For the elderly, who are looking at a limited time in which to be able to contribute, it is also long. For the native or female who is seeking to enter the labour force for the first time, a decade may be too late.

The record is not supportive of the reality of the long-term gain, and there is little evidence that the benefits of the long-term gain are going to be spread very quickly to these groups.

Unemployment for any individual brings humiliation as well as economic hardship. For young people, unemployment creates despondency, as access is blocked to what they observe to be the source of status in the society and the vehicle of making a positive contribution. If you think back to the premises of the Papal Encyclical, employment is understandably a source of status. The social and economic costs of the waste, the lost contributions, and the illness and negative social behaviour which accompany loss of

self-esteem are well known. Historical cycles have shown that one of the consequences has been a shift to various extreme groups--political, cultural, social, and religious.

Labour by itself produces little. It must be combined with land, meaning all natural resources, and capital, if it is to be productive. The rules that we establish to govern who gains access to land and labour and under what conditions, are the key elements in determining whether men will be given primacy over things. This is another clear implication of the Papal Encyclical. It remains a question whether we, as Canadians, can agree to those changes in our laws and organizations which will be required, if we are truly to give "primacy to man in the production process" over capital--which is, after all, only a collection of things.

I am not suggesting that the owners of capital are the only ones who set the rules about the access to capital. Labour unions negotiate some of those conditions in their contracts. But, I think these rules have to be seriously reassessed.

In a general sense, we have to concede that our society can afford to deal with these problems. The evidence of this lies in the waste in our society.

If the public debt and inflation and interest rates are a problem--and I think they are--then we should be prepared to look at such devices as a moratorium on all tax avoidance schemes to create the public sector wealth necessary to deal with the employment problem.

It seems to me to be absurd, for example, that an individual of my income level should get a document which says I can avoid or save $4,500 in tax by investing in a high-cost condominium and, at the same time, be told that we do not have enough funding to deal with some of the serious unemployment problems, or even be told that we are facing the threat of very high interest rates because the public debt is too high. This is not to say that it is just a question of public sector spending to create employment. But, if the private sector is the engine, and low interest rates are required to make that engine work, and those low interest rates, in turn, are threatened by the high public debt, then it seems to me that those of us who are employed, at good salaries, should be prepared to share in the costs of readjustment.

It occurred to me, also, that we might introduce a voluntary tax. There is a tax that is willingly paid;

indeed, people line up to pay it and get quite annoyed if their place in line is taken away from them. I refer, of course, to the lottery, which is simply a device for transferring a significant sum of money to some public sector project. Maybe we need to be a little imaginative, as well, in more of the taxes that we all claim to pay.

Another possibility is a special employment tax on those employed during periods in which the unemployment rate exceeds a certain level. In introductory economics classes, I talked about something called an automatic stabilizer, and perhaps we can introduce that in this way: for those who are employed, the tax rate increases whenever the unemployment level exceeds whatever is deemed to be appropriate. In that way, we can ensure that those who are employed share in the costs of the readjustment process. If it is legitimate to put a special tax on oil in order to finance energy self-sufficiently, then surely it is legitimate to tax the employed to achieve full employment.

These positions seem to me to be logical extensions of the premises which were included in the Papal Encyclical. Serious reconsideration is, therefore, essential as to how we have organized ourselves to decide when labour will be provided access to the other elements required to be productive.

Without such provisions, the implications are that there will be higher crime rates and increased illness; the unemployed will become unemployable; desperately needed facilities, such as hospitals and senior citizen care homes will not be built; and despondency and cynicism throughout society will generate the extremes most of us would like to avoid.

Saskatchewan and High Technology

Alex Curran

One factor which could have significant impact upon the Saskatchewan labour market is the potential emergence of a high technology industrial centre which, if achieved, would bring new employment opportunities, further diversification of our economic base, and interesting challenges for employees and for our educators.

Perhaps the reason that high tech is not addressed in this workshop is that, as yet, there is no agreement by statisticians on a definition; therefore, there is no industrial classification labelled "High Tech." Almost intuitively, we think of high tech as computers, electronics, and space. Actually, it is much broader.

The United States Bureau of Labor Statistics classified as high tech any industry in which research and development expenditures, and the number of technical employees, are at least twice as high as the average for all manufacturing businesses. That is an excellent definition, for it focusses attention on the hallmark of high tech--a determined search for innovation. But, that definition is very restrictive. It classifies as high tech only three percent of employment in the United States. I expect that in Canada the percentage is no higher. If the overall employment creation is only three percent in the United States, why should we in Saskatchewan be concerned about creating a high tech community in an agricultural heartland? There are at least three answers to that question.

The first reason for concern is defensive. We have already seen what can happen when the initiative in innovation moves to another country. Twenty years ago, Canada had an active home entertainment manufacturing industry. Most of our radios and television sets were produced in Canada by Canadian labour. Today, we buy much more electronic equipment for our homes but little is built in Canada. Our industry simply became obsolete. But we have also seen that when we make a determined effort to compete we can succeed. Perhaps the best example is Northern Telecom. In the early 1960s Northern Telecom was a staid Canadian manufacturer, content to supply the domestic market with products manufactured to designs imported from the United States. Over the

next decade the company revitalized itself. In the process, it became master of its own technology base. It became the world leader in the conversion of telecommunications networks to fully electronic operation; it became dedicated to export success; and it grew from a domestic company, whose annual sales were in the range of $500 million to a multinational with sales approaching $3,000 million per year. In the home entertainment business Canada failed to adapt and lost all. In telecommunications network equipment, Canada exercised leadership and is winning. The first lesson is clear.

The second reason is that high tech will not stay still. It affects industries and services far removed from the original field of application. Take computers as an example. Originally, they were sophisticated calculators designed to enable scientists and engineers to perform calculations too complex and too time-consuming for pencil and paper. Today, computers are everywhere; one can hardly imagine attempting to run a business without at least a personal computer. And the applications are now so widespread, so far removed from scientific calculation, that the user is unaware of the mathematical basis of the process.

In spite of inflation, the cost of electronics has decreased rapidly as more and more functions are placed on a single piece of silicon. This counter-inflationary performance is not limited to electronics. Air lines have been much more successful than railways in combatting inflation. It is not merely coincidental that air transporation is more research and development intensive than is rail transportation. Composite fibres, developed initially for high strength and low weight in space applications, have already displaced aluminum in many aircraft applications. Silicone fibres are displacing copper wires in telecommunication networks, and plastics are replacing metals in many parts of automobiles. In order to remain competitive in traditional industries, we need to understand high tech and apply its lessons for productivity.

The third reason for being active in high tech is that the overall statistic of three percent employment does not apply on a community basis. High tech is an industry strongly dependent on people--people with knowledge who enjoy the challenge and excitement of creating change. Such people congregate in centres where there are professional communities and an assortment of career opportunities. That is why there are such well known centres in California's Silicon Valley, Boston's Route 128, North Carolina's Triangle Park, and Kanata's Silicon Valley North. In those areas, the employment from high tech far exceeds the

national average of three percent. Obviously, therefore, in other areas the high tech employment is far below three percent. It's almost a case of riches or nothing.

One of the primary references for this talk was the report of the Task Force on High Technology and Post Secondary Education presented in November 1983 to the Honorable Colin Maxwell, Minister of Advanced Education and Manpower. If you accept my argument that we should create a secure high tech industrial community and that the effort can be successful, then consider the report's major recommendations.

The task force was composed of representatives of faculty, government and industry, who met at Kelsey Institute and received that organization's support. The primary concern of the task force was for post-secondary education at the institute level. Statistics were gathered about the employment opportunities for people at professional accreditation levels; however, the task force had neither the resources nor the mandate to examine the role of Saskatchewan universities in preparing people for those opportunities.

We must concentrate our high tech thrust in areas where our province has opportunity, need, and a better than average chance for success.

The members of the task force identified six such areas. They are agriculture, mining, communications, transportation, financial services and medical. There must be some balance between the risks of undue concentration and the risks of over-diversification. The task force concluded, therefore, that the balance lay in stressing only the first three areas.

Agriculture was stressed because there is an existing base of expertise; Saskatchewan has a high stake in the industry; there is already a commitment to research, and the development of bio-technology capability will significantly increase the value added to the provincial economy.

Mining was considered because of Saskatchewan's unique position with respect to potash, uranium, and heavy oil; the industry in Saskatchewan is well organized to encourage relevant research and development; and we have already experienced the success which can result from innovation.

In communications we already have a significant presence in the field; we need to develop better ways to serve a small population dispersed in a huge area; and we

have already seen the benefits which can result from such bold procurement decisions as Saskatchewan Telecommunication's early commitment to fibre optics.

One of the results of the work of the high tech task force was the first attempt to measure the size of the industrial employment base, and to forecast its growth. The task force is not satisfied with its accuracy; nevertheless, we do feel that the figures generated are adequate as indicators of present size and as near-term guides for employment planning.

With these disclaimers of accuracy, the size indicators are as follows:

	Reported 1983	Forecast 1988
Total high tech employment	10,560	15,300
Share of provincial labour force	2.5%	3.5%
SKILL CLASSIFICATION		
Professional	1,075	1,700
Technologist	910	1,450
Technician	220	400
Lay worker	2,300	3,300
Support staff	5,840	8,450
TYPE OF ORGANIZATION		
Public Sector	8,105	8,105
Private Sector	2,455	7,200

This forecast represents significant growth potential --fifty percent in five years--yet it could be low. At least two considerations suggest that the growth could be greater. First, our survey addressed only organizations which could be classified as industrial and high technology --it failed to take account of data processing specialists in non-industrial, non-high technology institutions. Second, because of current policies, we used a forecasting algorithm which forced zero growth in the public sector. For much of that sector, the technique will be close to accurate. However, at present, the leadership for biotechnology application lies with the public sector, and that is likely to continue for several years. If no public sector growth occurs, we may well lose the right to be a force as that new industry emerges.

The major concern of the task force was to make recommendations about the skilled labour requirement of the high tech sector. Our best estimate of the sector's job creation

potential is about five thousand over the next five years. Of those, about thirty-six hundred will be in the categories of lay worker and support staff. These do not represent labour skills unique to the industry. The remaining growth of fourteen hundred people will require special skills in electronics, data processing, bio-technology, and machine design. Taking account of both growth and the need to replace staff lost to attrition, the probable skilled employment requirement over the next five years is:

Professional staff	1,293
Technologist	778
Technician	278

There is no definitive answer to the size at which such a centre is viable. By comparision with other locations, however, it seems that there must be at least two thousand professionals working in private industry before people are willing to continue their careers without premium. Using that as a guideline, it would seem that by 1988 we shall be about half-way to security and that status should be achievable in the early 1990s. By that time, too, our high tech community should account for more than six percent of the provincial labour force, which would be well above the national average.

The task force made ten recommendations. Let me comment on only three. The first was that there should be support for concentrating high tech in Saskatoon, where development has taken place until now. We can build a viable centre there by building on the foundations already started. The second recommendation was that an open-faculty, open-campus, continuing education centre be established. This is the most innovative recommendation. It responds to the ongoing need to train people in the use, operation, and maintenance of new facilities and processes. It recognizes that nobody can reasonably expect that schools will be equipped with the most up-to-date equipment at all times. It recognizes that sometimes people in industry will be better able to teach specific skills than faculty members. It embodies a commitment by industry to make facilities available for community benefit; and it embodies an expectation that some facilities will be best supplied on a community basis for sharing. The task force's final recommendation was that there be some method of ensuring that technical credits are transferable. People in high tech industry tend to be "upwardly mobile"--they want to improve their qualifications and maintain technical awareness. A major incentive is the right to move from technician to technologist and from technologist to professional status. In turn, this requires a clear-cut definition of the

transferability of credits from one institution to another. There appears to be no such clear definition today.

Since the report was tabled, two events have occurred. One is that Mr. Maxwell has asked the task force to reconvene to provide him with a more specific organizational recommendation regarding the new high tech centre of continuing education. We expect to do that by the end of January, 1984.[1] The second is that a proposal was made to the federal Skill Growth Fund for support in the establishment of the centre.[2] That proposal was submitted in November 1983 with the support of the University of Saskatchewan, The Saskatchewan Research Council, Kelsey Institute, and local industry.

In conclusion, the goal of a viable high technology centre in Saskatchewan is worth pursuing. Failure to do so will leave us essentially unprotected from potential changes in our basic economy, and will deny us the economic and employment opportunities directly attributable to success.

The goal is achievable. We are more than one quarter of the way to viability now. In five years we can be half way there. In a decade we can be secure. In reaching those goals we can create at least five thousand new job opportunities by 1988.

We have the opportunity to forge a strong, fruitful partnership between educators, administrators, and industry. The partnership will ensure that growth is optimized and that our people are qualified for the challenge.

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1 While the formal Task Force did not reconvene, individual members of the Task Force, such as Dr. Howard Tennant, have been working on the organization design and development.

2 On March 26, 1984, a Skills Growth Fund application was approved for $1,999,920 to implement Phase One of the high tech centre. Phase One is the first of two phases and is oriented primarily to CAD/CAM (Computer Assisted Design and Computer Assisted Manufacturing) technology.

Changing Trends in Agricultural Employment

Glen R. McGlaughlin

Before discussing future policy issues as they may impact on agriculture, I think it is important to have an understanding of the current structure of agriculture and trends which have been evident for the past two decades.

Over the past twenty years the number of farms in Saskatchewan has declined from 93,924 in 1961 to 67,318 in 1981--a drop of 28.4 percent. Average farm size has increased from 686 acres (278 ha) in 1961 to 952 acres (385 ha). Despite the decline in farm numbers the agricultural sector still accounts for about twenty percent of the provincial workforce (4.4 percent in Canada) and contributes eighteen percent of total gross domestic product (2.9 percent in Canada). The Saskatchewan agricultural industry has over $31 billion of capital investment with gross farm cash receipts exceeding $4 billion. It is estimated that this contributes a value added effect of at least $16 billion to the Saskatchewan and Canadian economies.

A number of trends are evident from analysis of census and other data as it relates to labour utilization in agriculture, both on and off the farm. Hired agricultural labour on farms has declined by twenty-five percent over the past twenty years. In 1961, thirty-five precent of all farms reported hired labour; by 1981 this had declined to thirty percent of a significantly smaller number of farms. Paid off-farm work (work done by farm operators off the farm) has risen since 1961. In 1981, approximately thirty percent of farm operators reported off-farm employment versus twenty percent in 1961. The average number of days worked off the farm has increased over the past twenty years to about 147 days with about eighty-five percent of this in a non-agricultural occupation. Data from Statistics Canada surveys of farm tax filers show a significant shift in the percentage of total net income of farm operators derived from off-farm sources. In 1958 off-farm income contributed 22.9 percent of total average net income of Saskatchewan farm tax filers. By 1979 this share had increased to 47.4 percent. For Canada as a whole, the share of off-farm income increased from thirty-five percent in 1958 to nearly seventy percent in 1979. Agricultural mechanization and automation have contributed to a significant substitution of

capital for labour on farms. This has had a profound impact on labour requirements.

While there is little doubt that agriculture will remain a dominant force in the Saskatchewan economy, the financial position of this industry has not been encouraging in recent years. Realized net farm income peaked in 1973-74 at $1.4 billion and has steadily dropped to its present level of $1 billion. The price of top grade wheat for 1982-83 was $192.34 per tonne ($5.23 bushel) or about fourteen percent above the level of nine years ago ($4.57 per bushel). During that same period farm input prices increased by 115 percent. By contrast, Saskatchewan personal per capita income increased during the same period by 143 per cent.

Farmers in the province continue to earn a relatively low rate of return for the resources employed and the effort they contribute in terms of labour and management. In 1982 Saskatchewan farmers earned a $1 billion net return on nearly $31 billion of capital assets, or a return to capital of 3.2 percent--assuming no return at all to labour and management. Looked at another way, the average farmer received less the $1,300 per month as a labour and management return and no return to capital which averaged nearly $400,000 per farm.

Is the agricultural industry efficient? This is a frequently asked question and the answer depends on how you measure efficiency. Certainly, the agricultural industry has lead the way in productivity gains. In a recent 1983 Economic Council report entitled, The Bottom Line, Technology, Trade and Income Growth, it is noted that growth in output per person employed in agriculture grew at an average annual rate of 6.4 percent for the period 1961-73 and 2.7 percent for the period 1973-82. By comparison, productivity growth in commercial industries was 3.5 percent for the 1961-73 period and 0.2 percent for the 1973-82 period.

A recent analysis carried out by our research division gives a slightly different slant on the productivity question from a net return perspective. The numbers are interesting and perhaps they more appropriately describe what is happening in our industry.

In terms of constant 1971 dollars, farm cash receipts approximately doubled between 1962 and 1982. On an acreage basis, however, receipts increased by seventy-six percent as improved acreage in the province also increased over an average of $15.00 per improved acre (constant 1971 dollars). By 1972 this had risen to $22.03 per acre and by

1982 stood at $26.35. However, per acre expenses on a constant dollar basis increased by eighty-four percent over the same period from $10.90 per acre in 1962 to $20.08 in 1982. Comparing 1982 to 1962, per acre net returns in constant 1971 dollars have increased by a modest fifty-three percent in twenty years. However, the 1982 net return per acre is essentially no higher than in 1967, and actually lower than that experienced in the early 1970s. As a result, Saskatchewan producers who wished to improve their standard of living at a rate similar to the rest of society, were forced to significantly expand the size of their operations.

The question now follows, who benefits from the high level of capital employed, managerial skills and labour productivity in agriculture? It would appear that the producer has benefitted very little. However, consumers, through abundant and relatively inexpensive food, have benefitted the most.

The growth and expansion of the agricultural service sector is also a beneficiary. However, its degree of stability is influenced by the cyclical nature of the food producers' income. Producer efficiency through increased productivity accompanied by relatively lower food cost to the consumer has not come without considerable sacrifice to farmers. We have witnessed increased concentration where, today, the largest twenty percent of the province's farmers produce eighty percent of the product output. Since 1941 we have lost over fifty percent of the family farms in Saskatchewan. This means disruption of many people's lives, abrupt changes in type of work, and a greater necessity to retrain and adjust.

What does all this mean for the labour market in agriculture? In the past, primary agriculture has been a net supplier of labour to the other sectors due to farm consolidation. This trend will likely continue in the 1980s, at a decreasing rate, it is to be hoped. The recent passage of the western grain transportation act, and the imposition of substantially higher freight rates over the next few years could give further impetus to both farm and grain elevator consolidation. There is also the community impact issue, particularly as it relates to branch line rationalization.

On the positive side, there seems to be evidence that the scientific industrialization of agriculture will necessitate expansion of the agri-business service sector, including consulting and extension services.

Training programmes at technical institutes, community colleges, and universities will need to be expanded and

properly funded. Studies indicate that the demand for trained agricultural scientists over the next five years will exceed the supply of graduates produced from Canadian universities. Increased financial support to the College of Agriculture at the University of Saskatchewan is extremely important at this time due to restricted and inadequate facilities for both research and teaching.

In terms of the agricultural processing sector, the future is cloudy. Potentially, there is significant room for value added activity in both red meats and grains in this province. However, the current economic reality is such that further expansion is unlikely in the near term and, indeed, some rationalization of uneconomic plants is possible. Productivity in the agri-business sector will continue to improve through the utilization of new technology. For example, in Saskatchewan Wheat Pool's grain operations we have witnessed a forty-three percent improvement in labour productivity at Thunder Bay over the past four years in terms of tonnes handled per man hour worked).

At the country elevator level our total staff complement over the past eight years has declined from 1,322 to 1,189, while total grain handled has increased from 6.6 million tonnes in 1974-75 to 11.8 million tonnes in 1982-83. This represents a seventy-eight percent increase in product handled with ten percent fewer country staff. We believe this productivity improvement trend has been prevalent throughout the grain industry in reaction to cost pressures in recent years.

In conclusion, I would summarize the agricultural situation as follows: there will continue to be a net transfer of the agricultural labour force now employed on farms to other sectors. This will require retraining where younger farmers are involved. Increased specialization of agriculture will create additional demands for agronomic, technical and management advisory services. This will provide an avenue for job creation in private, government and university sectors. The agricultural industry labour component may continue to decline in relative share. However, the mix of specialized skills required will present a challenge for training institutions to ensure that farmers and the agricultural industry are properly serviced.

On a broader front, government policy-makers must direct their collective focus on more effective producer sensitive programmes which contribute to the long term viability of agriculture. Such action is a fundamental prerequisite to the realization of positive and permanent employment creation in this sector.

The Resource Sector: Employment, Skill Levels and Technology

Roy Lloyd

In recent years, the resource sector in Saskatchewan has experienced major changes in the labour market. Both the demand and the supply scenarios are continually changing. I intend to give you an overview of some of these changes and where they might lead in the future, using the mining industry as an example.

First, I want to examine the changing demand for labour. In the past, mining companies experienced little difficulty in attracting hard-working, hard-living men and women to work at the remote mines in the Canadian frontiers. Training was provided on-the-job, and, if you had a strong back and didn't mind getting dirt under your fingernails, you qualified for employment in the mines.

The exception to this scenario was the Saskatchewan potash industry where the underemployment in the farm sector created a ready-made labour pool for potash mining and refining operations. Poor agricultural markets and increased capitalization in agriculture provided the industry with semi-skilled workers who were looking for a way to augment farm income, or to move out of farming and into the industrial work force without leaving the rural community. Thus, the farm sector in Saskatchewan effectively was the largest mechanical skill training institution in the province.

But today, the requirements of the mineral resources development sector are changing. As in other sectors, the emergence of fourth and fifth generation computers and the technological spin-offs are having a pronounced effect upon the exploration, mining and milling techniques being adopted within the industry. As a result, the skill levels required within the labour force market must change accordingly.

At the present time, the educational and skill requirements of the mining sector are projected as follows:

1. Of all new jobs created, fifty percent are or will be in the professional, technological, administrative, and senior supervisory areas. These jobs will require individuals with a minimum of two to four years

post-secondary education and related experience. These are what we have come to call skilled occupations.

2. Of all new jobs created, thirty percent are or will be in the area referred to as semi-skilled occupations. These positions are at the technical, supervisory, administrative and senior operating levels. They require a minimum of one to two years post-secondary training and/or related experience.

3. The remaining twenty percent of all new jobs created are or will be at the entry level or operator level. Traditionally, we have referred to these as the unskilled positions, where minimal formal educational requirements were supplemented by work experience and on-the-job/in-service training.

However, the label "unskilled" is an historic and outdated label. Today, these positions at the entry level require eight to sixteen weeks of pre-employment training as a result of the new cost efficient technological innovations. These innnovations are required by industry in order to remain competitive within the Saskatchewan, Canadian and international market places.

An examination of the flip side of the coin, the supply scenario, also shows changes over a period of time. However, for the resource industry in general, these changes have not evolved as rapidly as those on the demand side. Alterations in the population structure and educational level of the labour force generally occur at a relatively slow pace.

In the past, most mining companies designed and initated their own training programmes. While these programmes proved adequate for their specific needs, they were rarely certified programmes with recognized, transferable skills outside the industry. These programmes were costly to develop and initiate; and employees tended to be locked into the employer. Their opportunities were limited; and they tended not to develop the flexible, learning attitude required today.

At the present time, the mineral resource sector is adopting technologies related to the new generation of computers at an accelerating pace. Some of the technologies are computerized digital instrumentation, micro-computer assisted training programmes, computer controlled chemical and metallurgical processes, information systems, and robotics. The utilization of these state-of-the-art computerized technologies is forcing the employer to recruit a

labour force trained and familiar with the new technologies and related processes.

The mineral resource sector operates in extremely competitive world markets. In order to improve its competitive position, the industry will be adopting technologies, as they evolve, to reduce their operating costs, and to improve the profitability of their operations. This will provide greater flexibility in capturing market share for our developments.

These cost-cutting technological innovations, and the resulting changes in the labour force supply and demand equation, dictate that the participants in the labour market--industry and business, government, employees, unions and educational institutions--must develop new approaches to needs assessment; development and delivery of training programmes; and co-ordination of planning efforts.

The Saskatchewan mineral resource sector, which includes potash, oil and gas, coal for electrical generation, and uranium, has begun to benefit from the active co-operation of government agencies, education institutions, and unions in the needs assessment; programme development; and planning processes.

Approximately two years ago, representatives from the industry sat down with representatives from Canada Employment and Immigration Commission (CEIC), the Saskatchewan Department of Advanced Education and Manpower, the northern community colleges, native employment associations and, on occasion, unions to establish an informal but highly productive group called the Saskatchewan Training Needs Assessment Committee. Their objectives are to, first, assess the industries' labour needs; second, determine specific skill requirements by occupational category; third, determine subsequent training programme needs; and fourth, outline the financial commitments required for the feasibility, development, and delivery phases of the identified training programmes. Their commitment of financial and human resources, together with liaison, discussions, and a co-operative planning attitude, allowed the committee to identify development and deliver fifteen training programmes including:

1. Pre-Employment Mill Operators programme
2. Mill Operator training programme
3. Computer-Assisted Video Interactive training programme
4. Mine Equipment Operator training programme
5. Chemical Laboratory Technicians programme
6. Environmental Monitoring Technicians programme

7. Commercial Cooking
8. Industrial Welding

The increasing utilization of technological innovations in the work force is being dictated by the need to improve the competitive position of Canadian industry and business in the market place. The life blood of the Saskatchewan mineral sector is the export market and we have no tariff walls to hide behind. Indeed, our greatest concerns are barriers to trade aimed at protecting the domestic industries in importing countries. These trends are forcing us all to ask how we can cope with the changing variables in the labour market supply, demand, and training equation.

I believe that the actitivities of the Training Needs Assessment Committee point the way to the future. For example, this committee was approached by the Prince Albert Technical Institute Planning Team to assess and advise them on what programmes could be developed and offered through this institution which would benefit the mining, petroleum, forestry and electrical power generating sectors of Saskatchewan industry. While these sectors may appear to have diverse interests and needs, the degree of commonality is significant, and the degree of co-operation and interest demonstrated to date is refreshing.

These programmes and discussions are all the result of what I call a pro-active planning strategy. The key elements of this strategy are trust, co-operation, commitment, flexibility, and action. Through this strategy, we can work towards promoting stability and advancement in the labour force. These five elements are the keys to understanding, and working to ensure that the Saskatchewan labour force possesses the knowledge and skills which will allow our business and industrial sectors to remain competitive.

It is absolutely critical that the linkage between education and employment be direct. Otherwise, a feeling of betrayal and cynicism towards the economic system as we know it today is bound to arise among our youth, particularly those in the northern half of our province. Our challenge is not only to create the jobs by using our competitive advantage due to our rich resource base. We must also train our youth and retrain or upgrade current participants in the labour force, so as to avoid a large pool of educated, but unemployed, young men and women who have been trained in the wrong thing. Those who receive inappropriate training legitimately say, "I played the game according to your rules--for what purpose?"

Labour - Management Issues in the Saskatchewan Construction Industry

Bill Patrick

In today's construction labour market there exists a general feeling of distrust between management and labour about each others objectives. This wall must be removed so that employees feel they are receiving a fair wage for their services, yet the employers are receiving a fair return on their investment. This is not always possible, but it is a goal worth trying to achieve.

Pride in completing the assigned work will go a long way towards reducing this distrust. The concept of pride can take several forms and is best achieved on a group basis, so that the group regulates its own members to achieve its goals. Once this concept of pride has been established, the employees will become more satisfied, the work will be completed more efficiently, and the whole organization will benefit. For instance, the group of employees with the best safety record, the least equipment downtime, or the best production rate should receive visible recognition for its efforts. For example, this group could receive a pennant or other reward which would be prominently displayed. The group would encourage its members in order to receive open recognition. On an open-shop project, there is the additional possibility of having a monetary award to recognize individual achievement. Once pride is back in the work force, the utilization of human resources will be maximized and this wall of distrust will start to crumble. Canada has one of the worst track records in the western world for lost time due to strikes. Until this problem is resolved we are going to continue to waste our human resources, and our way of living will continue to be affected negatively.

One of the major issues that has plagued the Canadian construction scene over the past years has been the continuing lack of properly trained and qualified skilled labour. Perhaps one could attribute some of the problems to the boom-and-bust nature of the construction industry, which makes it difficult to make any long-term plans. We have generally solved the problem of the lack of skilled labour in the heavy construction industry by importing labour from outside Canada--to the detriment of unemployed Canadians.

The lack of properly qualified and skilled labour in the heavy construction industry is the direct result of there being very few training centres of programmes for those interested in this type of work. In most instances, the training of this segment of the labour force is left to individual contractors to carry out as the need arises and it is on-the-job-training. This is costly, and it is somewhat dangerous when an inexperienced operator is working in close proximity to other heavy equipment and to other employees.

The second problem in most training programmes is the lack of candidates. The reason for this is that individuals who have been employed as labourers experience a large decrease in pay over the duration of the apprenticeship, generally four years. When the apprenticeship programme has been completed, the wage rate of the journeyman is not all that much higher than that of a labourer. Labourers in the United States are generally paid less than first-year apprentices; therefore, there is a financial advantage for individuals to enroll in an apprenticeship programme. There is also an advantage to employers, in that the scheme assures a continuing source of skilled labour. Existing educational facilities are more oriented towards training people for home building or for trades used in building small commercial structures.

While it is easy to criticize the lack of training facilities there are certain problems that one must recognize. Primarily due to the cyclic boom-and-bust periods in the construction industry, it is difficult to project manpower and facilities requirements on a long-term basis. Another problem is the lack of continuing communication between the construction industry and educators. There are two final problems in this area. First of all, historically there has been a stigma against going into the construction trades and their apprenticeship programmes. These are often regarded as an undesirable alternative to professional or technical training. Finally, there is a reluctance on the part of the province to set up construction-related training centres because graduates may leave Saskatchewan to work elsewhere, taking the investment in their education with them. There is no real solution to this problem.

There is one final suggestion I would like to make about training, particularly in regard to heavy equipment operators. Governments and unions should set up a training school for these construction workers in order to establish standards of skills within the industry. The school would provide some minimum standards of training for students, including classroom work and a certain number of hours for

hands-on training related to operating equipment. After this, a period of training in the workplace would be arranged, and students would then return to school to write tests and to demonstrate that they had acquired the required skill level in operating equipment. Once this test was passed, students would then be qualified as operators of certain types of equipment.

One of the last problems for unionized contractors in the heavy construction industry is the constant conflict between unions over trade jurisdiction in the work force. This has been perhaps the one single item that has wasted more human resources through strikes than any other. To give an example, we had a situation on the Key Lake Project, near the end of the work, whereby a certain trade was required for a job that took a duration of two hours. As this trade was not on the project a tradesman had to be brought to the site. This person had to be paid from the time he left home to when he returned there--so we paid for twenty-four hours of his time, instead of the two hours required to do the job. While this is an extreme example, it does show the extent to which the jurisdictional problem can be carried. Again, I must emphasize this is a continuing problem and, unless the unions can resolve it among themselves, many more projects are going to be completed by open-shop contractors--to the detriment of the various unions. We cannot afford to waste human resources because of the wrangling between the various unions over jurisdiction.

Managing Productivity: Short and Long Term Perspectives

Norman Bromberger

Due to the recent worldwide economic recession, a new set of catch words has become popular. Heading the list is "productivity." Discussion prior to this time centred on loss of the protestant work ethic, the affluent society, the consumer society, Japanese management styles and, of course, productivity.

The physical facts of labour markets during this same time were greater participation of women in the work force; affirmative action; a rapidly growing labour force (the baby boom); an aging population; potential skilled labour shortages; declining growth in family formation, birth rates and population; relatively high unemployment rates; slow growth in productivity and real Gross National Product (GNP); high personal savings rates, and relatively low investment rates.

The major notion behind these trends is change, which has increased in velocity in the past two years as a result of the recession. The areas of change now in the forefront are automation, information/communication revolution, high technology, and new management approaches.

The foregoing are a complex compound of so-called facts, problems, and solutions. I will use productivity as an example to set out my perspective, partly because of its current popularity, and partly because of its long-run importance to the Canadian economy.

In lay terms, productivity is measured by output in units divided by labour input in units. There seems to be a tendency to confuse the measure of productivity with productivity as a framework for management. This has led to a short-run tendency to look for greater output at less cost. This short-run perspective focusses on solutions without clarification of the problem. Productivity involves labour input. It also clearly involves capital in the form of equipment and facilities as well as the overall work environment, or what might also be called the organization or structuring of a particular firm. Labour must have the tools, whether they are physical or environmental, to increase output.

We have a highly educated, relatively skilled, and generally well-motivated labour force. In a period of rapid change, there must be greater emphasis on changes in approach to management and leadership. Initially, it will be an already beleagured management's role to take the lead in developing the new approaches. Yet, ultimately, these approaches will be the joint responsibility of labour and management.

How can we bring about these changes? It requires change in management styles and leadership. This change requires an attitude which allows for trial and error. It does not assume a right or wrong way. Learning occurs when people are allowed to try new things, expanding their knowledge and skill base through success and failure. For example, in the middle of the last decade, we suddenly faced a worldwide energy shortage. Costs rose, leading to increased inflation, increased interest rates, and increased unemployment, or distortion in the economic and social system. In this case, Canadians received positive leadership from political leaders at all jurisdictional levels, despite philosophical differences. The result was a massive effort to reduce energy consumption which, along with the business slowdown, led to at least a short-run surplus of renewable energy resources. With good leadership, the public made wise decisions in conservation.

For at least five years, we have had ongoing discussions in most of the industrial world about the decreasing growth in productivity. There have been many public comments and publications on the broader perspectives dealing with productivity. However, because of short-run problems, management has spent its time dealing with survival. It seems that this is a good time, with a gradual improvement in the economic situation to begin looking at, or giving leadership for, new approaches in dealing with questions of economic/social well-being. The most difficult part will be changing the old patterns or approaches to organizing work, or allowing creativity and innovation in the work place.

Canada is a rich country in both renewable, nonrenewable, and human resources. The physical resources are there. It is up to the human resources, both management and labour, to make better use of these physical resources. The old approaches have not worked, or we would not be spending all this time and effort dealing with the question of productivity. We must have the involvement and commitment of all human resources, or our efforts will become largely irrelevant.

The Labour Market Challenge: Forging New Partnerships

David Dodge

This workshop highlights what I believe are two major ideas which we must accept if we are to address effectively the problems Canada will face in an increasingly competitive world. First, we have an opportunity to forge a new economic partnership to address the human resource issues of the next decade; second, this partnership must be broadly-based, to give full participation to all partners in indentifying solutions appropriate both regionally and nationally.

I think we can all agree that we are looking at two dimensions of the same problem. First, the need to match supply and demand in the labour market in order to reach our national employment goals and, second, to look down the road and zero in on what kinds of jobs and skills will be required in the future. The first, of course, is the urgent short-term requirement to find jobs for the jobless, to create employment opportunities that will provide the skills training and work experience to help them find a place in the permanent work force.

The second, zeroing in on anticipated demand several years down the line, is a more difficult assignment when you consider even today's evolving technology, let alone what we may see in years and decades to come.

We all have a great deal to gain by working together regionally and nationally to identify human resource problems and to decide what to do about them. These efforts can help employers pinpoint their future skills requirements and take steps to meet them. They can help unions identify areas in which their members may benefit from an upgrading of their skills. They can help individual workers understand and adjust to changes affecting their lives. They can help the private sector and governments spend more effectively the billions of dollars earmarked each year for human resource development.

The federal and provincial governments now spend more than $5 billion a year on post secondary education. Private

employers spend more than $2 billion on training and Employment & Immigration Canada contributes over $1 billion each year for skills training--both institutional and industrial. Unions contribute significantly to training as do individuals themselves. In addition, a large fraction of the $1.2 billion Employment & Immigration Canada is spending on job creation is designed to help people maintain or upgrade their skills.

To make a wise investment and to train young men and women to take their rightful place in the work force of the future, we must be able to project future demands as accurately as possible in terms of the kinds and numbers of jobs which will be available. What we need is something we have not had in recent years--an efficent navigational system to put us on the right course and keep us there. That can only come about when all the indicators are in from the entire spectrum of the economy.

The workshop underlines the need for the active participation of all sectors and segments of Canadian society--and it is pointing the way. The cooperation of business, labour, education and government that we are seeing here is essential for prosperity in a free labour market, and this partnership must be able to deal with local and regional concerns as well as the big national picture. By mutally identifying the problems and answers, we gain joint ownership of the solutions, solutions that are appropriate in Saskatchewan as well as Canada as a whole. In this regard, I am particularly interested to note the similar theme of "Partners for Economic Growth" in the recent Saskatchewan report on "High-Tech," by the task force on high technology and post-secondary education. "Ottawa" just cannot, and should not, do it all alone.

I would like to say a few words about one project--the Canadian Occupational Projection System, better known as COPS.

COPS is a computerized system aimed at projecting future supply and demand factors in the labour market and it is meant to serve as an important key in redressing any imbalance that may appear likely. But, like any other computer system, its output is only as good as the input permits it to be. I would like to stress that COPS is not expected to perform any miracles. Those of us in the federal and provincial governments and the private sector who have been working on it see it as only one instrument, a most promising one, in the overall strategy to develop a new work force attuned to tomorrow's needs.

The important thing, however, is that COPS is being developed with input from provincial governments, business, and labour--an example of what a partnership of this kind can achieve.

Many factors, of course, will have to be taken into account in plotting a course to make the best use of our human resources in the years to come. Factors such as regional priorities, worker mobility, immigration and emigration, the availability of private and public funding, economic fluctuations and so forth.

Here, we must be very conscious of the fact that Canada is emerging from a recession, which may, down the line, bring the possibility once again of skill shortages. In a recession, a short-term focus on simple survival may be the clear priority. But, as we come out of the downturn, we must re-focus on the medium and longer-term questions of whether needed skills will in fact be available a few years from now. We must try to anticipate these changes and be prepared for them.

There may be some who think that human resource planning, as such, is a concept that may be all right for large corporations, but that is of little relevance to the other organizations. Wrong. Even medium-size or small companies must anticipate their future environment, in terms of markets, skill needs and the like. They must decide how they will live within that environment, compete, and avail themselves of the tools and devices provided by new technology. Which means that, small or big, businesses are going to have to prepare and equip and train and gear for the future.

Human resource planning is also a labour issue, involving the future of union members, and, perhaps most importantly, an individual issue. The individual worker, after all, is at the very centre of the "human resource" idea.

Unfortunately, for the short-term, unemployment in Canada is still unacceptably high, even though more than 370,000 new jobs were created over the past year. For example, while the Saskatchewan unemployment rate is among the lowest in Canada, in Saskatoon the unemployment rate is above the national average. For some time to come, then, we will continue to face the twin tasks of finding jobs for those young people coming into the labour market for the first time, as well as for those who lost jobs as a result of the recession.

These challenges come at a time when adjustment in the labour force is also going to be influenced by rapid and

far-reaching technological changes, demographic modifications, and greater efforts for equality of opportunities among all components of the Canadian society. For all these reasons, and others, it is necessary to plan to make sure that the right people are on hand, trained, and ready to move into the new jobs that will open up as a result of the increased productivity we anticipate. Those areas of future need must first of all be indentified. Then we must all ensure that Canada's human resources and productive processes can meet those needs.

Without question, the labour market of the future will be different from that of the past and we need to have an economic partnership in place to address the issues this will raise. Planning for the future is not just the government's job and not just the job of business and labour. In fact, it is the job of all of us and, to do it effectively, we have to do it together. Without such a partnership, we may be doomed to repeat many of the mistakes of the past.

The Provincial Labour Perspective on Employment Issues

Dave Maki

A study prepared by the federal government last February predicted that between one million and two million existing jobs in Canada will disappear by 1991 because of technological and structural change.

The study, done for Donald Johnson, the Economic Minister at that time, said that between one-quarter and one-half of all jobs in manufacturing, and one-quarter of the jobs in business and financial services, will be eliminated by the end of the decade. It also said this elimination of jobs will not be accompanied by an increase of jobs in other sectors.

There are solutions of course. Unions try to bargain the right for workers to be retrained for other existing work when their jobs are eliminated in the name of productivity and efficiency, so they can continue to earn a living. Employers do not feel that is their job.

The government should immediately establish a comprehensive grant/levy system to fund and promote higher levels of skills training. It must be national in scope and cover all sectors: industrial, service, primary production, and government. Each sector would establish training boards with the authority to set levies on all employers in the sector and from which employers could receive grants to provide training and upgrading. These boards would be composed of labour and management. A central training council composed of federal and provincial governments should be established. Training board representation and educational institutional representations should be formed to ensure a uniform approach.

Who will the managers manage, and who will the supervisors supervise when the secretaries, stock clerks, billing clerks, shipping clerks, assembly line workers and labourers are gone? A good number may well be included among the "lesser skilled jobs" that will be lost.

Work sharing simply forces workers to divide less work among themselves as an alternative to the preference of the

vast majority for full employment. It should not be viewed as a solution to the current unemployment crisis. It is only a method of getting workers to work for less pay, while preventing unemployment figures from rising too rapidly.

Unemployment is the major issue from the labour perspective. Canada is now a nation divided between those who have jobs and those who do not. We now have a mass of permanently unemployed people who may never find a decent job. Many, in fact, may never find a job of any sort for their entire lives.

The number of unemployed in Saskatchewan continues to rise, the official jobless rate reaching 7.7 percent in November, 1985. It does not of course reflect those who have quit looking in discouragement, or the dramatically higher rate for those under age twenty-five.

Studies of the depression painted a grim picture of families cutting back on food, dropping insurance policies, exhausting savings accounts, and living on what they could borrow from friends and relatives. Unemployment benefits today have softened the severity of that pattern, but the overall pattern remains the same. The unemployed are meeting living costs by cutting back on spending for food, clothing, and transporation. They are eating into their savings, slicing normal expenses to the minimum, and deferring all non-essential spending. As unemployment lengthens for more and more of our province's population, the unemployed use more drastic expedients, selling off insurance policies, moving into cheaper homes and apartments, and ultimately selling cars and other belongings. The loss remains a personally-crippling experience, especially in regard to self-respect, health, family life, and mortality itself.

Present federal and provincial economic policies cannot guarantee nor ensure relatively high levels of unemployment, as a matter of fact, both levels of government seem to promote higher unemployment levels as an official policy to reduce the inflation rate and solve other economic problems.

The Saskatchewan Federation of Labour has stated unequivocally that the most pressing concern facing provincial governments is the creation of jobs. Every citizen in Saskatchewan should have access to a secure job, the right to a decent income, the right to various public services and assistance, and the right to free and fair collective bargaining. The federation has developed a programme for economic recovery which squarely addresses these concerns.

In the short-term, immediate actions are needed to meet the current crisis and reduce the large numbers of unemployed in our province. Therefore, we recommend the immediate implementation of capital work projects to create jobs. These projects should include:

1. The pipeline for Diefenbaker Lake to secure ample supplies of water for Regina and Moose Jaw
2. The construction of the Rehabilitation Centre so desperately needed by injured workers and the handicapped or disabled
3. Cultural and recreational facilities throughout the province, training centres, hospitals and schools
4. Investment in the development of heavy oil resources through our own SaskOil
5. An expansion of the Prince Albert Pulp Mill to an aspen pulp-for-tissue mill to create construction activity, stable industrial and harvesting employment, and economic growth for the whole region. Jobs could be created immediately by a forest management programme to aid the hard-hit forest industry
6. Investment in new technologies, such as fibre-optics for more permanent technical and professional jobs
7. Immediate action on funding for native economic development and job training, a programme which is now on hold.

We must take the opportunity to formulate and design an economic programme made in Saskatchewan for the benefit of Saskatchewan people.

The province of Saskatchewan has in place the mechanisms and structures where this can happen, as long as they remain in public hands; that is, the crown corporations. Our objectives for them include:

1. Service to the people of Saskatchewan
2. A return of a share of the province's resources to the people and their decendents
3. The development of a more diversified provincial economy
4. The continued creation of employment and opportunities, which make provision for the less advantaged (i.e. affirmative action) as well as allowing our residents to aspire to the highest professional and executive posts.
5. The attainment of a balance between service and profitability that best serves the interests of the people of Saskatchewan
6. The development of model employer-employee relations through intelligent use of the free collective bargaining process
7. The investment of public monies into enterprises, directly or in joint ventures (Saskatchewan Economic

Development Corporation), with the people of Saskatchewan receiving an equity in the enterprise. After careful consideration and analysis, public funds could be used to assist private entrepreneurs, if the end result is beneficial to Saskatchewan people, through job creation or eventual increased public revenues

All the foregoing represent a beginning toward the formulation of an economic recovery programme. We will not have full employment unless the reins of economic power are firmly in the hands of government as a pre-condition for national and provincial planning, for economic development, and to diminish unemployment.

These actions would provide new job opportunities for the unemployed, and security of employment for those threatened by massive layoffs and cutbacks.

Entire segments of our population are now practically excluded from the workforce, including natives, who constitute some 11.5 percent of our society, and the handicapped, another seven percent, depending upon whose figures are used. However, when a workforce analysis is done for almost any employer, the results show that neither natives nor the handicapped are represented among the employees in anywhere near the numbers in which they appear in the population as a whole.

Likewise, women constitute thirty-nine percent of the provincial workforce, but they are mostly concentrated in the lower-paying employment categories.

Whether these groups are to be considered as a practically untapped, non-traditional supply of labour, or as human beings denied an equal opportunity to fulfill their potential and contribute to society, affirmative action programmes are required by employers.

If you and I had been born Indian, there would be a ninety-seven percent chance we would <u>not</u> have made it through high school.

If you and I had been born blind, like one of our members with a university degree, we might have spent years selling cigarettes and chocolate bars because no one would give us a chance.

In one of the papers supplied by the workshop planning committee I was concerned to note that one of the benefits of human resources planning is supposed to be "achieving corporate objectives with the <u>least human cost</u>." That

concept is a little difficult to accept, though the approach (of least human cost) seems quite prevalent these days. For example, federal and provincial governments currently seem to draw their inspiration from the doctrinaire "supply-side theories" of President Ronald Reagan. "Reaganomics" has it that huge tax cuts and excessively high profits will produce some "trickle down" benefits for ordinary people.

In addition to wage controls, we have new legislation in almost every province, including Saskatchewan with Bill 104, which attacks working people and their organizations. More of the same is probably on the way. It is a truism in the labour movement that a depressed economy has always created a conducive environment for union bashing.

To those who would persist in driving their temporary advantages to the hilt, I would like to paraphrase some remarks of John Lynch, vice-president of personnel, Petro Canada, as reported in the Regina Leader Post of November 10, 1983: "Most Canadians entered the 1980s with at least a lingering loyalty towards their employer." Pay freezes, staff cuts, layoffs and early retirements have "made fundamental and irreversible changes in employee attitudes." It has become plain that once employees reach the limits of their usefulness to the company they will be "discarded like any other investment that no longer fitted the corporate plan... "The days of the victorian notion of master and servant are over."

Developing New Working Relationships for Canadian Business and Labour

Ron Lang

In 1978, a small report called The 23 Sector Manufacturing Task Force in the Tier Two Report went to the federal government from a business/labour task force. One of its recommendations was that there ought to be an autonomous manpower agency jointly operated by business and labour, with government participation. From 1978 until August 1983 that proposal was not accepted by the federal government, although it was accepted by a number of provincial governments.

In August 1983, the proposal for an industrial labour market institute was accepted as government policy by the federal government, and it was formally announced that month by John Roberts, Minister of Employment and Immigration. The terms of reference for this institute were that:

1. It should act as an advisory body to the provincial and federal governments of Canada in matters relating to the operation and administration of the labour market in Canada
2. That it should recommend policies and programmes to stimulate economic growth, job creation, and improved productivity to meet the needs of Canadians
3. That it should develop sector inventories on Canada's medium and long-term manpower needs with respect to skilled trades
4. That it should devise recommendations on manpower training and retraining programmes, the role of educational institutions, adjustment assistance programmes, manpower mobility programmes, immigration policy and manpower needs, and unemployment insurance matters

This institute would be run jointly by business and labour. It would be funded by federal and provincial governments. It would be incorporated under Part Two of the Canada Corporation Act as a non-profit agency, and it would have a board of directors composed equally of business and labour representatives. Those representatives would be drawn from labour's ranking officer level and from the chief executive level in corporations. The institute would have all governments participating in non-voting ex-officio capacity at a senior level. All provincial governments

would be represented at the assistant deputy minister or the deputy minister level. The federal government would be represented at the same levels. The government representatives would fully participate in all of the affairs of the corporation and its board meetings, but they would be non-voting. In other words it would be bipartite essentially, controlled by business and labour.

In the fall of 1983, before that institute got off the ground, Federal Finance Minister Marc Lalonde called for the establishment of a Centre for Employment and Productivity Growth in his budget speech. Both the business and labour communities were asked by the federal government to participate in such a centre and to have the responsibility for drawing up its terms of reference and its organizational structure.

The report went to the government in November for what has now become known as the Canadian Labour Market Productivity Centre. It is a merger of the original proposal for the Industrial Labour Market Institute with Lalonde's proposal for a Centre for Employment Productivity Growth.

The Canadian Labour Market and Productivity Centre will operate under the following guiding principles:

1. To recognize that enhanced productivity is best achieved through equal partnership and shared responsibility between business and labour
2. To act as an advisory body in matters relating to the operation and administration of the labour market in Canada
3. To develop more and better jobs and improved understanding of the concept of work
4. To encourage productive practices that can make Canadian industries fully competitive in domestic and world markets
5. To plan for and implement technological change and innovation with minimum adverse effects
6. To share the benefits of such change

The Centre has two branches: a Productivity and Employment Growth Branch and a Labour Market Branch. There is a board of directors consisting of twelve labour representatives, twelve business representatives, two educational representatives, probably from the high school and community or technical level rather than the university level. There are fourteen ex-officio non-voting members of the board--one from each province, at the deputy minister level, and four from the federal government.

There will be women, native groups, and handicapped persons within the business and labour representation on the board of directors. We want as broad an economic representation as we can get within the mix on the board of directors.

This is a new concept for this country. It is an experiment and one that is long overdue. This institution is unique to the whole of the western industrial world. There is no place in the western industrial world where business and labour have joined to propose such a mechanism of institution to any government. In other countries it was done through legislation.

There are honest differences between business and labour. But there are many, many areas where business and labour and government surely share common interests because all are concerned with the labour market.

Human Resource Planning: Improving Productivity with Multilateral Partnerships

V. Lynne Pearson

Human resource planning is nothing more than good people planning. The Saskatchewan business person or farmer who identifies a particular need or goal and sets about achieving it is, in fact, planning and, where this involves workers, it is human resource planning. Such planning sometimes involves large scale recruitment such as in major resource projects where specific skills are required for specific periods, or as small scale as checking if a neighbour's son or daughter is available to help with the harvest. Whether large scale or small, good human resource planning has meant increased productivity and profitability for Saskatchewan business, and increased job opportunities for Saskatchewan people.

Unfortunately, planning is not a simple as it once was. Our economy and society are changing rapidly and often unpredictably; the resultant uncertainty frequently leads to both inefficiency and inequality in the labour market. Never before has human resource planning been of such importance in Saskatchewan and Canada.

Three major issues will dominate the Saskatchewan labour market for the rest of the decade and will influence it for the rest of this century. The first issue is the recovery from the recession. The recession has brought home to us in a dramatic fashion the fact that our work world is going through major change. While faring better than other provinces, Saskatchewan did not completely escape the effects of the international recession. In 1983 there were definite signs of recovery; however, as the economy recovers, a leaner industrial structure is emerging with an emphasis on efficiency; employment growth is lagging behind output growth. This will mean, in the absence of any labour market intervention, less than full employment for the next few years in Saskatchewan and Canada.

The second consideration is demographic and social trends. We are undergoing major alterations in the way we work in this country, both in the supply of workers and in

job demands. On the supply side, labour force structure in the 1980s will be fundamentally different from that of the 1960s or 1970s. With the baby boomers now in the labour force, the supply of new workers is levelling off. As well, about two-thirds of the new labour force will be women. In other words, women will be the largest source of new labour throughout the rest of this century. In addition, native persons will represent about twenty percent of new job seekers in the province.

We know that structural and social barriers now exist that make it difficult for women, natives and other disadvantaged groups to obtain access to jobs. Without a special effort and adequate skills preparation, these new entrants will have difficulty taking advantage of future job opportunities in a highly competitive market. With seventy percent of all new job seekers being women, natives or handicapped persons, employers must be willing and able to utilize this non-traditional source of labour.

The third issue is technological change. On the demand side of the labour market, we know there will be opportunities for skilled workers. Even during the recession, jobs were going unfilled. The Allmand Task Force, and more recently the Canada West Foundation report, point to significant skilled labour needs if there is an economic resurgence.

In addition, high tech is having a marked impact on all sectors. The evolving use of robotic systems is having a significant influence on the resource industry and manufacturing, while the use of micro-processing in the office is altering the nature of white collar work across all industrial sectors. The speed with which these innovations are being introduced leaves little time for workers and employers to adapt.

There are ample signs that these economic, demographic and industrial changes represent more than cyclical ups and downs. We are in an international technological revolution; if we fail to plan and adapt our human resources for this challenge, we are sure to succumb to persistent high unemployment and production at less than full potential.

Human resource planning is seen as an essential ingredient to dealing with the issues in the Saskatchewan labour market. A good human resource plan is intimately related to a business's overall corporate plan; the objective is to develop a productive work force well matched to the organization's objectives. Human resource planning in Saskatchewan for both large and small firms means increased

productivity and profitability, and for residents of Saskatchewan it means better job opportunities. The Canada Employment and Immigration Commission can be of assistance to both workers and employers in this process.

Effective planning must be based on reliable projections of labour supply and demand; this is a particularly tough prerequisite, given the uncertainty and changing circumstances facing us in this decade. Until recently, there was no focus for the gathering, analysis and sharing of information on labour markets across Canada. The commission, with the support of industry, labour and provincial governments is now developing the Canadian Occupation Projection System (COPS) to fill this void. Here in Saskatchewan, the Department of Advanced Education and Manpower is providing extensive support in this endeavour.

COPS plans to make extensive use of information and studies available from industry, unions, professional associations, provincial governments and other federal departments. COPS will not provide a forecast of the future, but will spotlight the occupational imbalances that would occur under varying circumstances if steps were not taken by industry, labour and governments to change current patterns of labour market adjustment. When this system is fully operational, it will be available for use by employers, labour, educational institutions, governments and other agencies.

In 1982, the commission implemented the National Training Act to establish a flexible framework for training so that Canadians would be able to acquire new skills on-the-job or in a classroom. Under the Canada/Saskatchewan training agreement, the Canada Employment & Immigration Commission provides more than $30 million a year in Saskatchewan to train over eight thousand adults. The commission's support of training in the classroom involves purchasing training seats from the provincial institutes and community colleges for apprenticeship, adult upgrading and skill training for employment. On-the-job training provides a reimbursement to employers for training costs and trainee wages under an approved training plan; the training may be fundable for up to two years depending upon the occupations involved. The Act also allows the commission to negotiate training contracts with employers for training outside Canada. This provision is used sparingly in cases when production involves new technologies not yet taught in Canada.

The overall priorization of training in Saskatchewan is based on the designation of occupations for which there is

an anticipated shortage, and for which training is an appropriate intervention; priority is given to financing and purchasing additional training in these critical occupations. This designated occupation list is also being used as a guide for the expansion and modernization of our training capacity through a special capital fund--the Skills Growth Fund.

The Canada Employment & Immigration Commission has employees throughout Saskatchewan at thirty points of service to provide assistance in meeting human resource planning objectives. The core of this service is the Canada Employment Centres. It is the job of these centres to help employers find workers and workers find jobs. During 1983 over forty thousand were placed in jobs in Saskatchewan.

Most employer requests for workers can be filled quickly. Sometimes the response is slow; the wage being offered may not be high enough to attract qualified workers or workers may not be available locally. In the latter case the job opportunity can be listed on the commission's national job bank, a computerized system that makes job vacancies known to job seekers in every region of the country. If a worker who meets an employer's skill needs is found in another part of the country, the commission can provide a mobility grant to assist in moving that worker to the job. Only if the right worker cannot be found in Canada after a thorough search will an employer be allowed to hire a foreign worker on a temporary or permanent basis; the commission can assist in the search for a qualified worker from outside Canada.

The commission also places a high priority on job creation efforts in pursuit of the public service responsibility for those in need. Some $29 million is being provided in 1983-84 to create approximately five thousand jobs in Saskatchewan. These job creation efforts do more than just provide immediate jobs; they result in permanent investments in communities and the economy. Businesses have been able to expand and upgrade and communities have benefitted from local improvements. Current job creation efforts are concentrating on helping youth, the long-term unemployed, economic recovery and community development.

The commission also administers a social security net for individual workers, communities and the overall economy --the Unemployment Insurance Program. During the past year approximately $200 million of benefits have been paid to unemployed Saskatchewan workers. This $200 million has supported a much needed level of purchasing power in the local economy. Benefits also maintain a worker's hope and

self-respect, both of which contribute to a stable labour force. In summary, approximately fifty thousand Saskatchewan residents will be assisted by the Canada Employment and Immigration Commission in this fiscal year. This will involve placing them in jobs with employers or funding training to upgrade their employment skills, at a cost of about $60 million. In addition, another $200 million has been expended to help maintain unemployed workers, communities and the businesses in those communities during the slowdown. These are the major federal tools to help with human resource planning in Saskatchewan.

The major opportunity for change in the Saskatchewan labour market, then, is to do a better job at human resource planning. To meet this challenge, there will have to be a clear commitment by business, labour and government for cooperation and consultation. The federal government is trying to promote this cooperation and consultation through the negotiation of human resource planning agreements. Several agreements have been signed with major industrial and professional associations across Canada. Here in Saskatchewan agreements have been signed with the Construction and General Workers Training Trust Fund; the Saskatchewan Piping Industry Joint Training Board; Electrical Contractors Association.

The purpose of these agreements is to establish conditions for increased cooperation and consultation between the private agency and the commission in human resource planning. The agreements provide for specialized guidance for better utilization of government assistance programmes in human resource planning.

In short, human resource planning agreements are opportunities for improving both the private sector's and the government's efforts at planning for future labour needs in Saskatchewan.

For business, better human resource planning, whether through increased utilization of our employment services at Canada Employment Centres or more formally through a human resource planning agreement, can mean increased productivity and profitability by having the right people with the right skills at the right place at the right time.

For labour, improved human resources planning means: lower staff turnover; less disruption to earnings; smoother transition of necessary technological change.

For the commission, cooperation and consultation with industry and labour will provide a better focus to our labour market programmes and services; that means more effective assistance to employers and workers, as well as a more effective use of our tax dollars.

The Saskatchewan Department of Advanced Education and Manpower: Policy Directions and Options

W. Gil Johnson

The Department of Advanced Education and Manpower has established policy direction based on its examination of labour market trends in Saskatchewan over the short, medium and long term. So how will the department proceed in the future? Speakers who have preceded me have indicated that unemployment will be an on-going concern. Imbalances in the labour market and shortages of skilled personnel are not problems exclusive to Saskatchewan. These are national problems, and problems in practically every working sector in modern society.

Almost without exception, jobs are in the process of changing. Those already in the work force, as well as those now receiving occupational training, are faced with an entirely new set of challenges over their life time. When I was in high school and university, I was told that I could expect to undergo significant career changes during my working life, with as many as three job changes. Today, young people entering the work force can expect five to eight such changes. Hospital workers, office workers, even automobile mechanics, are confronted by changes in the work environment imposed by new technologies.

Probably the most significant comment on what the future holds was made by Alvin Toffler. He indicated that we are now in the midst of what has been referred to as The Third Wave. The First Wave was the agricultural revolution which took about nine thousand years. The next wave was the industrial revolution which commenced about 1760. Toffler predicts that the Third Wave, which is a revolution in communications technology, will take thirty years and its resulting massive changes over the next few years will have a tremendous impact on all of us, wherever we are employed and however we live.

It is the stated objective of the Department of Advanced Education and Manpower to provide learning opportunities which will enable the people of this province to equip themselves properly to cope with these technological

changes. While these kinds of changes are taking place, government leaders are also witnessing changes in public perception of the appropriate role of government. Federal Finance Minister Marc Lalonde said recently on a Canada AM news magazine programme that because of the recession, people in Canada have begun to change and lower their expectations of governments. I suspect that veiled within Mr. Lalonde's remarks was the notion that the institution of government is changing and lowering its expectations in terms of results it can obtain from intervention in the social and economic fabric of our country. Deep-rooted problems relating to money supply and to aging industries must be overcome in order to permit a lasting and sufficient economic recovery.

Despite the adjustment pains that accompany the existing economic climate in Canada, positive changes will emerge from the recent economic and social turmoil occurring within our society. Out of the confusion of rapidly changing industries, deficit budgets, and altering responsibilities for governments, new relationships between strong, creative and compassionate partners will be forged. We will then be working together: industry, labour, government and the fourth solitude, education. We hope to provide the work force in this country with exciting new occupational prospects. One level of government working alone will not be able to resolve the problems we face relating to unemployment, skill shortages and general labour market difficulties. Even both levels of government working together cannot accomplish what this country needs. If change is to be long-lasting and to survive, government, industry, employees and educational institutions must work together to develop much more meaningful approaches to the problems that we face.

This forum represents the essence of what is expected by the public from all leaders and all sectors at this time: co-operation, consultation, and co-ordination. We must meet and work together openly and sincerely. We must reveal our basic positions and policies, so that each of us can see what is happening and each of us can contribute to the solutions, and provide consistency in making Canadian society productive.

The Government of Saskatchewan holds the view that the best route to prosperity for this province is through the motivation and unfettering of the initiatives of our people. This government has made a basic policy of encouraging small, medium and large-sized business as well as industry. It has elected to rely upon the entrepreneurial spirit of Saskatchewan residents, Canadian businessmen, and

those abroad who are willing to come forward with skills, investment and ideas which will create many challenging opportunities for people in this province and in this country.

The Department of Advanced Education and Manpower has done a number of things in this respect and we must assess whether we are headed in the right direction. When I first came to the Department of Advanced Education and Manpower we wanted to be number one in Canada in terms of the number of training opportunities that we offer our residents, but we were number nine, just about equal with New Brunswick. We approached the provincial government and the Treasury Board, and asked if we should proceed with a massive expansion of the learning opportunities in our technical and vocational institutes. Their response was positive and, as a result, we obtained a commitment to increase the training opportunities in our technical institutes by sixty percent over three to three and one-half years. After one year we have reached one-third of our target. We wanted an increase of eleven hundred training places over the past year and we met that goal last September. We still have another two thousand places to go.

We are also attempting to use counter cyclical training. When people are not fully employed--when they are not occupied in gainful or meaningful employment--their time would best be spent in training. First of all they can learn some generic skills. Second, they can learn and appreciate some of the changes that they will face in this era of new technology. In our province there are 177,000 people who have less than Grade IX education. There was recently a statement in the Toronto Globe and Mail that there are a number of people across this country who are semi-literate or functionally illiterate. Something has to be done to improve this situation. This is a task we have given to a group which has existed in our province for some time--the community colleges. These already established institutions know the people they have to serve and they are able to work with them on developing literacy.

We also think that it is absolutely critical that Saskatchewan residents develop basic computer literacy in order to cope with current technological changes. We want to ensure that everyone in our province has the opportunity to know and understand what high technology is, what it can do for them, what it means for them, and what impact it may have on them in the future. To that end we have developed the Basic Computer Literacy course which is the second most popular course in our community colleges. Since Saskatchewan probably has the most widely dispersed population of any

province in Canada, my department has introduced a programme which is referred to as the Skills Extension Programme. This mobile programme can be taken to local communities and can provide the same skills-training which our technical institutions provide.

Another problem we have faced is programme standardization. The training offered by various technical institutions should be equally appropriate in various areas of the province. Graduates from these institutions should receive a certificate which is acceptable province-wide. To that end we have proceeded to upgrade and update the curriculum in a number of courses. By the end of this fiscal year, we should have between fifteen and twenty of the basic programmes revised along those lines.

We have placed the onus upon the community colleges to provide appropriate and effective local education because people who want a specific course, or employers who need a particular type of training programme for their employees, should not have to travel fifty miles or more to the nearest technical institution. Appropriate training should be available right in their community.

High technology is one industry in which we do not suffer the disadvantage of high transportation costs and distance from markets. This industry is one we should do our level best to support, in order to encourage the development of employment in these areas. We should also develop a familiarization with the techniques and the effects of high technology, so that we can be the masters of our fate. Premier Grant Devine has indicated that we must keep in touch with the grassroots and he has talked in the past about the four solitudes of education, labour, employees and government. We feel that there is a very strong need to develop a link between industry and government. Bill Baker chairs the Saskatchewan Industrial Training Advisory Council, a committee which advises our minister on ways in which our training programme could be made more appropriate and more relevant to the requirements of industries in this province. We require feedback to identify the issues, support, and suggestions on ways in which we can improve. Within our department we have about eleven hundred people who advise us in one way or another on the programmes we deliver to the technical institutions, including advisory boards for most courses. We have Apprenticeship Boards whose members also provide advice.

The Federal Government has initiated the Canadian Occupational Projection System (COPS) which tries to forecast imbalances of the future and foresee what sort of

educational and training needs will be necessary to overcome these imbalances. In terms of relationships with the federal government, Lynne Pearson, Director General for Saskatchewan, Canada Employment and Immigration Commission, and I jointly chair a Labour Market Committee in this province. Every few months we discuss the issues we face. We must work together to solve the problems and share the solutions. One of the issues facing us concerns job creation. What is effective job creation? Is it the thing we do for counter cyclical training or temporary employment, where we buy a job for someone with an employer, be it public or private? Another key issue we will face in the future will be the need to retrain and re-educate ourselves in order to become familiar with the world in which we will be living. The federal and provincial governments have been investigating the idea of educational leave or lifelong learning. In order to pay for lifelong learning employers would be required to retain some part of each employee's salary to pay for renewal or retraining, and in the employee's fifth or sixth year of employment the accumulated money would be used to retrain or educate that person. In Japan the average employee goes for five hundred days of training, or almost two years, in the first ten years of employment.

Finally, very significant problems exist in northern Saskatchewan. These problems relate to the lack of jobs and to an ever-increasing population of young natives who have no work skills, very little training, and marginal attachment or commitment to the work force. The problem is growing day by day. Every solution tried so far has failed, although there are success stories in the mining industry where training has taken place. This is an area in which we will have to invest a lot of time in the near future.

Government of Saskatchewan: Response and Commitment to Labour Market Issues

The Honourable Colin Maxwell

I come to represent a political point of view--the point of view which governs this province today, and which will govern for the foreseeable future, the Progressive Conservative point of view.

One of the current issues facing the Government of Saskatchewan today is the need for a labour market policy which permits the attainment of provincial economic and social goals by achieving a full realization of Saskatchewan's human resource potential.

The labour market policy I am proposing contains the following basic premises about human resource development. First, we must provide the appropriate training to develop the skills required to meet the demands of the labour market. At the same time, we must ensure equitable access by residents of Saskatchewan to both training and employment opportunities. This means we must be prepared to assist those citizens whose skills are becoming obsolete, or who are being displaced by industrial and technical change. Our strategy must utilize employment development opportunities that enhance the province's economic development strategy. Finally, we must facilitate the necessary cooperation between education, business, labour, and government sectors to achieve the required levels of education, training, and employment.

It is on these principles of skill development, access to training and jobs, labour market adjustment programmes, employment development to meet economic goals, and collective responsibility for change that our proposed labour market policy for Saskatchewan is premised.

Labour market adjustment issues have emerged as a major priority thrust at all levels of government in recent years. This has been reflected in international, national, and provincial efforts to develop meaningful and successful labour market (or human resource development) policies. One facet of this activity has been a growing realization that

economic and social development goals are more likely to be attained if they are considered parallel with an active and appropriate labour market policy.

In Saskatchewan, our government has demonstrated a commitment to strengthen the interrelationship between economic and labour market development by the establishment of the Department of Advanced Education and Manpower in April 1983.

By placing responsibility for the coordination of labour market matters within the mandate of this department, it is expected that new and integrated programmes and policies will focus attention on the labour market. This will assist the province in discharging its responsibilities for the promotion of economic growth and, at the same time, permit maximum benefits for Saskatchewan residents from available education, training, and employment opportunities.

Human resource development is central to economic and social policies. Therefore, no human resource development effort can be fully successful if its implementation is carried out in isolation. Generally, economic policy in Saskatchewan is designed to provide citizens with an opportunity to earn a reasonable income at a job that provides challenge and opportunity, plus generate sufficient revenues to ensure adequate standards of public service. The objective must be met in such a way as to further social development policy which, in turn, is designed to improve the quality of life of the people of Saskatchewan.

The success of the province's proposed labour market policy will be constrained by, and in turn will constrain, the success of economic and social development efforts. Consequently, the labour market policy will contain a mechanism by which it will be integrated into the government's overall efforts.

The issues with which any labour market policy deals cut across both federal and provincial jurisdictional boundaries, so it is essential that the policies and programmes of either level of government be complementary. Jurisdictions have often established policies and programmes which duplicate levels of service available to citizens, but the proposed Saskatchewan labour market policy is designed to emphasize programme complementarity, rather than foster competition at the federal/provincial level.

The economic development strategy of Saskatchewan has been formulated according to the changes in international economic development over the past decade and changes in

national economic policies. The economy of Saskatchewan cannot be isolated from Canadian and international economies; therefore, within the limitations of economics, transfer payments, and tax revenues, Saskatchewan must adapt the appropriate public services, and provide support to worthwhile economic development initiatives.

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